

## R E M A R K S

Claims 1 - 24 were pending in the present application. Upon entry of this amendment which is respectfully requested for the reasons set forth below, Claims 1 through 27 will remain pending.

### Disclosure Objections

The specification has been amended to include the serial numbers of co-pending applications. Further, the specification has been amended to correct typographical errors, including the typographical error noted by the examiner in the Office Action.

### Section 101 Rejections - Abstract Idea / Mathematical Algorithm

Claims 1 - 24 stand rejected as being non-statutory. Applicants respectfully traverse the Examiner's Section 101 rejection.

With respect to the Examiner's assertion on page 2 of the Office Action:

"[T]he claims do not recite and [sic] pre- or post-computer activity but merely perform a series of steps receiving data and manipulating the data, and is directed to non-statutory subject matter. A process is statutory if it requires physical acts to be performed outside of the computer independent of and following the steps performed by a programmed computer, where those acts involve the manipulation of tangible physical objects and result in the object having a different physical attribute or structure."

Applicants note that recitation of pre- or post-solution activity / physical transformation is **not a requirement** for method claims; it is merely one of many types of statutory computer-related claims. As stated by the Federal Circuit in *AT&T Corp. v. Excel Communications Inc.*, 172 F3d 1352 (Fed. Cir. 1999):

"The notion of 'physical transformation' can be misunderstood. In the first place, it is **not an invariable requirement**, but merely one example of how a mathematical algorithm may bring about a useful application." (*emphasis added*).

With respect to the Examiner's assertion on page 3 of the Office Action:

"[T]he claims merely manipulate an abstract idea or perform a purely mathematical algorithm (adding and rounding) without limitation to any practical application."

The claims do not merely perform an abstract idea or purely mathematical algorithm, nor are they limited to merely "rounding and adding". By contrast, all the pending claims recite rounding a purchase price based on various things such as a rounding code, rounding multiple, or plurality of rounding codes. Furthermore, the claimed invention is useful in the practical application of processing sales. Accordingly, the claims do not preempt the use of "adding and rounding", and are not unstatutory.

Furthermore, a process is statutory, even if it did consist solely of mathematical operations or abstract ideas, so long as it has some practical application. In other words, even an algorithm is patentable if "applied in a 'useful' way." *State Street Bank & Trust Co. v. Signature Financial Group Inc.*, 149 F3d 1368 (Fed. Cir. 1998). The proscription against patenting of mathematical algorithms is narrowly limited to mathematical algorithms in the abstract and without a useful, concrete and tangible result. *AT&T Corp. v. Excel Communications, Inc.*

The claims of the present invention are statutory at least because they produce a "useful, concrete and tangible result". One result is that the present invention allows the customer, among other things, to pay a rounded price for an upsell and purchase. (See, e.g., Specification at page 5, lines 16-20). This falls far short of a mathematical algorithm in the abstract, which represents "disembodied concepts or truths that are not useful".

Applicants also note that derivation of a purchase price has been held statutory:

"Today, we hold that the transformation of data, representing discrete dollar amounts, by a machine through a series of mathematical calculations into a final share price, constitutes a practical application of a mathematical algorithm, formula, or calculation, because it produces a 'useful, concrete and tangible result'". *State Street Bank & Trust Co. v. Signature Financial Group Inc.*

With respect to the Examiner's assertion on page 3 of the Office Action:

"Claims 2, 4, 6 and 16 - 24 recite an apparatus (programmed computer) which performs the steps of the method claims above. Therefore, claims 2, 4, 6 and 16 - 24 are analyzed based on the series of steps performed."

There is no subsequent discussion of why the apparatus claims have been rejected as unstatutory. Applicants assume that the Examiner believes that an apparatus claim corresponding to a rejected method claim must likewise be rejected. Accordingly, for at least the reasons above, Apparatus claims 2, 4, 6 and 16 - 24 are statutory as well.

#### **Section 101 Rejections - Preamble "Goals"**

The Examiner asserts that each claim is unstatutory because it does not accomplish the "goal" recited in the corresponding preamble. Applicants are unaware of any requirement in section 101 or elsewhere that the preamble state a goal that must be accomplished by the claims lest the claims be deemed unstatutory. Applicants are further unaware of exactly what it means to "accomplish" such a goal.

The Examiner has suggested steps to include in the claims to overcome the 101 rejection. As stated above, the claims are statutory. It is unclear why the seven steps proposed by the Examiner are necessary to overcome the rejection under Section 101. In addition, Applicant's are unaware why a step in which "a supplemental product was offered to the customer" would be required. The present invention actually obviates the need to provide an offer for an upsell. For example,

"it would be advantageous to eliminate the uncertainty that is inherent in offering upsells." (Specification, page 3, lines 19 - 20)

"It is an object of the present invention to eliminate the uncertainty that is inherent in offering upsells." (Specification, Page 4, lines 2 - 3)

"Thus, the customer need not be offered a system-selected upsell at the POS terminal" (Specification, Page 5, line 17 - 18)

### **Section 103(a) Rejections**

Claims 1 - 24 are rejected as being unpatentable over Phillip Fiorini, "No Place for a Penny". Applicants respectfully traverse the Examiner's Section 103(a) rejection.

### **Section 103(a) Rejections - Limitations of Claims 1- 6 not Suggested**

To support the rejection of claims 1 - 6 for obviousness, the Examiner asserts on page 4 of the Office Action that the following are known in the art:

"rounding off purchase prices"

offering "one or more supplemental products in lieu of ... change due"

"offer the customer sticks of gum etc. in order to round off the purchase price"

Since the present claims include no offering, Applicants believe the Examiner has confused the present invention with another. As stated above, the present invention actually obviates the need to provide an offer for an upsell. Accordingly, any knowledge of "offering products" is inapplicable to the obviousness determination.

With regard to receiving a code, the Examiner states an example in which the "rounding code" of Fiorini is inferred to be to the closest nickel. However, Fiorini is void of any discussion of receiving any codes, much less codes that are used during to determine how to round a purchase price (e.g., whether to round to a first rounding multiple or to a second rounding multiple). According to Fiorini and to the Examiner's example on page 4 of the Office Action, there is no suggestion that the purchase price can be rounded to one of a plurality of possible rounding multiples, much less of rounding the purchase price to one of a plurality of possible rounding multiples based on a received code (e.g., round to nearest \$5 if a first code is received or round to the nearest \$10 if a second code is received).

One advantage is that in some embodiments of the present invention the customer may determine to which multiple a purchase price is rounded. Merely as an example, the following embodiment of the present invention is reiterated from page 10, lines 8 - 14.

For example, a first bin could contain a number of books that each have a first rounding code. A second bin could contain a number of books that each have a second rounding code. If any book from the first bin is selected as an upsell, the purchase price would be rounded to a first multiple (e.g. the nearest \$5). Similarly, selecting any book from the second bin would cause the purchase price to be rounded to a second multiple (e.g. the nearest \$10).

Fiorini clearly does not disclose or suggest the claimed steps of (1) receiving a rounding code, nor (2) rounding a purchase price based on the received code (or based on a rounding multiple corresponding to the code). Accordingly, Applicants' respectfully submit that claims 1-6 are allowable over Fiorini.

**Section 103(a) Rejections - Limitations of Claims 7- 24 not Suggested**

Claims 7 - 24 are likewise patentable over the references cited by the Examiner for the reasons stated above with respect to claims 1 - 6. In addition, independent claims 7 and 16 further include the limitations of receiving a plurality of rounding codes, and rounding the purchase price based on the rounding codes. No references cited by the Examiner teach or suggest these limitations.

The Examiner asserts that it is known "to set a fixed price for each product, supplemental or otherwise, and to associated the fixed price and rounding code". However, none of the references cited by the Examiner teach or suggest a rounding code, much less a rounding code that has both a corresponding rounding multiple and fixed price.

Further, dependent claims 8 - 15 and 17 - 24 include further limitations not suggested by the references cited by the Examiner. For example, the references do not teach or suggest selecting a rounding code having a rounding multiple that is not greater than the rounding multiple of each unselected rounding code.

**Section 103(a) Rejections - Examiner's Personal Knowledge and Official Notice**

Applicants respectfully dispute all of the assertions on page 4 of the Office Action regarding the Examiner's first-hand experience in the 1950's and 1960's and the Official Notice of what "is old and well known within the retail arts". With regard to assertions of the Examiner based on personal knowledge, Applicants respectfully request that the Examiner provide an affidavit to support these assertions as required by MPEP 2144.03 ("When a rejection is based on facts within the personal knowledge of the examiner, the data should be stated as specifically as possible, and the facts must be supported, when called for by the applicant, by an affidavit from the examiner.")

With regard to the Examiner's Official Notice of what "is old and well known within the retail arts", Applicants respectfully traverse the Examiner's assertions and request that the Examiner cite appropriate references to support these assertions as required by MPEP 2144.03 ("If the applicant traverses such an assertion the examiner should cite a reference in support of his or her position.")

Applicants further note that the Examiner's Official Notice regarding what "is old and well known" is immaterial to the present obviousness determination. Only what would have been known to one of skill in the art at the time the invention was made is material to the obviousness determination.

**Newly Added Claims 25 - 27**

Newly added Claims 25 - 26 distinguish over the references cited by the Examiner, alone or in combination, for at least the above stated reasons. In addition, the new claims include limitations generally similar to some proposed by the Examiner on page 3 of the Office Action.

### Conclusion

For the foregoing reasons it is submitted that all of the claims are now in condition for allowance and the Examiner's early re-examination and reconsideration are respectfully requested.

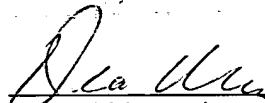
Alternatively, if there remains any question regarding the present application or any of the cited references, or if the Examiner has any further suggestions for expediting allowance of the present application, the Examiner is cordially requested to contact Dean Alderucci at telephone number (203) 461-7337 or via electronic mail at Alderucci@WalkerDigital.com.

### Petition for Extension of Time to Respond

Applicants hereby petition for a three-month extension of time with which to respond to the Office Action. Please charge \$890.00 for this petition to our Deposit Account No. 50-0271. Please charge any additional fees that may be required for this Response, or credit any overpayment to Deposit Account No. 50-0271.

If an extension of time is required, or if an additional extension of time is required in addition to that requested in a petition for an extension of time, please grant a petition for that extension of time which is required to make this Response timely, and please charge any fee for such extension to Deposit Account No. 50-0271. A duplicate copy of this page is enclosed for such purpose.

Respectfully submitted,



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